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Alfred D. Stedman, Assistant Administrator
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TO FARM JOURNAL EDITORS:

The following information is for your use.

DeWitt C. Wing and Francis A. Flood

DeWitt C. Wing and Francis A. Flood,
Specialists in Information.

CORN-HOG PROGRAM FOR 1935 IS ANNOUNCED

A production control program to be offered by the Adjustment Administration to corn-hog farmers for 1935, has been announced by Secretary Wallace and Chester C. Davis, Administrator. The new contract for continuing adjustment through the coming year under which the individual signer's corn acreage and market hog production shall not exceed 90 percent of the 1932-33 average, is based largely on the recommendations of corn-hog producers and their committeemen which have come from various parts of the field. A. G. Black, chief of the Corn-Hog section, said that it has been simplified considerably in several respects, and will serve as an effective means by which farmers may correct certain maladjustments caused by the drought and, at the same time, by preventing a return to excessive production levels, hold the ground gained this past year.

"The offering of a new contract for 1935 was endorsed by a majority of over two-thirds of all producers voting in the corn-hog referendum in October and is warranted by the current economic outlook", Dr. Black said. "There are certain factors in our present situation which make a burdensome surplus of corn in the fall of 1935 a virtual certainty unless a large percentage of farmers agree this coming spring to hold plantings within reasonable limits. And although extensive breeding for next spring's farrow probably will not take place generally on account of short feed supplies, some control over hog production also is held necessary. This is partly to prevent undue increases in individual cases or in areas where feed will be available for such expansion, partly to insure against excessive farrowing in all areas in the fall of 1935 and partly to further the purpose of the Agricultural Adjustment Act in raising hog growers' income toward parity levels.

"In deciding whether to sign the new contract, corn-hog farmers will be meeting their first real test of voluntary crop control. A year ago a surplus was at hand; prices were low; the need for production control was obvious. This year prices are improved; the effect of a prospective surplus is not so apparent.

Plans now must be based on the future outlook, not on the situation at the moment. Full success of the 1935 program will depend upon the voluntary cooperation of a clear majority of producers. Continued group action is essential," Dr. Black said.

There are four principal reasons for expecting excessive corn acreage in 1935 without a control program.

First, the normal response to severe, though temporary, feed shortages and high feed prices occasioned by droughts, is the planting of a larger-than-average acreage to corn the following year. At the same time, yields per acre usually return to normal and a record crop with low feed price results. Then, after a year or two, livestock production, particularly of hogs, also becomes excessive and livestock prices are forced down. This happened after the drought year of 1894 and is possible again in 1935 and 1936.

Second, the marked adjustment in both cattle and hog numbers since a year ago has reduced corn needs during the coming year to the point where even the average acreage of recent years at normal yields would produce a large surplus of corn beyond a reasonable margin for rebuilding drought reserves.

Third, on account of the severe drought damage to many new pasture and meadow seedings, a larger-than-average area of land will be readily available next spring for planting to some crop.

Fourth, in many localities seed corn will be relatively cheaper and more plentiful than a number of other farm seeds.

In the case of hogs, existing demand conditions do not yet warrant a substantial re-expansion. Exports of pork from the United States showed a slight upward trend in 1934, but this was offset by a decline in exports of lard. Both Great Britain and Germany principal importers of American hog products--are limiting shipments by means of volume or value restrictions. In the domestic market, a re-employment and higher wages under the general recovery program may result in increasing total expenditures for pork and lard, but this will not necessarily mean any similar increase in the volume of these products to be required. A high level of pork and lard consumption has continued since before the depression without appreciable change.

The maximum corn acreage that may be planted under the 1935 contract is 90 percent of the average for the two years 1932 and 1933. That is the same base as was used in 1934. This maximum figure represents an increase of about one-eighth over the 1934 maximum and will permit the production of about 250,000-000 bushels over the reduced requirements for livestock feeding, but this is regarded as desirable in view of the need for rebuilding feed reserves.

Individual signers may hold out of production anywhere from 10 to 30 percent of the two-year base average and receive corn benefit payments in proportion. Under this adjustment range, farmers who successfully establish seedings on land contracted to the Secretary of Agriculture in 1934 may continue their corn acreage this year at the same reduced level and receive a larger new adjustment payment.

With some allowance for the additional current adjustments in hog numbers

caused by the drought, and in view of the practically unchanged condition of world trade since a year ago, the individual contract signer is being asked to hold the number of hogs produced for market from 1935 litters to 90 percent of the adjusted average number produced from 1932 and 1933 litters, instead of 75 percent as provided in the 1934 contract. This new allotment is about one-fifth larger than for the past year.

The new contract carries no limitation on purchases of feeder pigs by contract signers from other contract signers. Purchases of feeder pigs from non-signers, however, remain limited to the average number bought during the period 1932 and 1933.

For complying with the hog adjustment provisions of the new contract, the participating producer will receive a hog adjustment payment of \$15 a head on the number of hogs represented by the 10 percent adjustment. One-half of this payment, that is, \$7.50 a head, will be made upon acceptance of the contract by the Secretary of Agriculture. The final payment, less the contract signer's pro-rata share of the local administrative expenses, will be made on or about January 1, 1936.

In terms of the adjustment itself, the 1935 hog payment rate is the same as during the past year. In 1934, contracting producers received \$5 a head on 75 percent of the two-year base; this was the equivalent of \$15 a head on the 25 percent of the adjustment. Because a smaller percentage of adjustment is required for 1935, the total hog payment per farm will not average as high as in 1934, but the producer's total income, including return from the increased number of hogs which he may raise, will be larger. Contracting producers who are short of feed and who, therefore, may not raise up to the maximum number of hogs allowable under the new contract, will have the equivalent of the larger hog income in the form of a larger supply of corn for sale or for future livestock feeding than otherwise would have been the case.

For complying with the corn control provisions of the new contract, the individual signer will derive the following benefits: (1) a corn adjustment payment: (2) unrestricted use of the land shifted from corn production and (3) eligibility to participate in any government corn loan program that may be available in the fall of 1935.

The corn adjustment payment will be made at the rate of 35 cents a bushel of yield estimated for the number of acres by which the corn land area is kept below the 1932-1933 average. This yield for basing payments will be the average yield determined by the Community Committee for all crop land in the farm which has been in corn at least once during the last five years. Under the old contract, the rate of payment was 30 cents a bushel and the basis was the average yield estimated by the Community Committee for the particular acres kept out of corn production and contracted to the Secretary.

The change in yield basis is rather minor so far as benefits are concerned, but it removes the necessity for setting aside a definite tract of land on the farm as "contracted acres." The "contracted acres" designation has been dropped in the 1935 contract, partly to simplify compliance and partly to permit the

on any part of the farm.

As in 1934 the corn payment will be made in two installments, the first amounting to 15 cents a bushel on the estimated yield from the number of acres that are to be shifted from corn. This installment will be paid as soon as the contract is accepted by the Secretary. The second installment, consisting of the remaining 20 cents a bushel, less the producer's pro rata share of the local administrative expenses, will be made on or about January 1, 1936.

In view of the serious shortage of feed which will develop in many areas before next summer and the consequent desirability of producing an ample supply of early forage and larger-than-average supplies of early-maturing feed grains, the new contract permits the use of the "shifted" acres for growing any crop, other than corn, for any purpose. It places no limitation on the total area devoted to cultivated crops or on the total acreage of any particular crop, excepting corn.

There is no limitation on the number of livestock, other than hogs, which may be kept or produced by the farmer. The old contract limited the use of the "contracted acres" to soil-building, erosion-control or similar purposes; prohibited an increase over 1932 or 1933, whichever was higher, in the acreage of basic commodities, and in the total acreage of feed crops other than corn and hay.

Liberal use of non-corn land in 1935 is being permitted to help offset the drought aftermath which will be felt at least until the next harvest of feed grains or until new pasture and meadow seedings are ready for use, and does not represent an abandonment of the essential policy of shifting gradually to a more extensive type of farming, involving more grass land and more soil-building and erosion-preventing crops.

Although not a part of the 1935 corn-hog program itself, a Government corn loan program which would be available only to those producers and landlords who signed the 1935 corn-hog contract is being considered for next fall. Such a loan plan would aid contracting producers in a financial way and would be an additional factor in steadying production and prices.

The loan value per bushel for 1935 could not be announced until the harvest next fall, and would depend to some extent upon the size of the crop in prospect and the prevailing price of corn.

If producer participation in the 1935 program is about the same as in 1934, the total adjustment payments is expected to run between \$150,000,000 and \$165,000,000. The funds for this aggregate payment will be raised by means of processing taxes continued through one marketing year, beginning November 5, 1935, at approximately the current rate of \$2.25 per hundredweight on hogs and 5 cents a bushel on corn. The 1933-34 emergency programs and the 1934 production adjustment program require the collection of processing taxes through two marketing years, ending November 4, 1935.

In 1935, as in 1934, the corn-hog production adjustment program will be voluntary and will be carried out largely by farmers themselves through their

community committees and county control associations. With some modifications, the set-up of State Corn-Hog Committees and the State Boards of Review, which were established to coordinate and supervise the handling and checking of contracts this past season, will be continued next year. Extension workers and county agricultural agents will assist in the educational and administrative work.

In general, all corn-hog producers, whether or not they took part in the 1934 program, will be eligible to sign the 1935 contract. In the case of 1934 signers, the adjusted production figures established by the County Allotment Committees this year will serve as the basis for 1935 production adjustments and adjustment payments. As in 1934, the hog base goes with the farmer; the corn base remains with the farm. In the case of producers who were non-signers in 1934, the production averages to serve as the basis for 1935 production and benefit payments will be determined by the County Allotment Committees from the producers' 1932-33 data after adequate checking.

Regional meetings of State corn-hog officials and representatives of the Adjustment Administration, at which the new contract and administrative rulings will be presented, are to be called in key cities in the corn and hog producing areas shortly after Thanksgiving, it was stated by Dr. Black. During December the various State corn-hog units will organize the county and community committees for the educational and sign-up campaign. It is expected that the local meetings with producers will get under way by January.

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ST. LOUIS MILK LICENSE CHANGES

After conferences with agencies on the St. Louis market and local investigation by the Adjustment Administration, the existing license for the St. Louis milk sales area has been amended to reduce the price to producers on Class 1 milk from \$2.35 to \$2 per 100 pounds f.o.b. distributors' plants, and to change the method of paying producers from a base-surplus plan to a single pool price for all milk.

These changes, together with a new definition of the sales area which reduces the territory somewhat, went into effect November 16.

With present supplies of milk ample and substantially above those of a year ago, the present reduction from the price granted on August 14, \$2.35 per hundred pounds on 3.5 percent milk, to the former price of \$2 per hundred-weight, is expected to improve conditions somewhat for milk used in manufacturing. Conditions on the market in relation to costs and scarcity of feed and hay will be observed meanwhile, so that, if necessary, further adjustments may be made in the interests of producers, particularly during the heavy winter feeding season. The retail price of milk at 11 cents delivered to homes has remained the same, despite the advance in prices to producers in August.

Along with the lowering of the Class 1 price to producers, the license has been amended to re-insert the provision that new producers coming on the

market must accept Class 3 price for all their milk during the first 90 days.

The change in the method of paying producers from a base-surplus plan to the single blended price on the basis of classified sales through the pool, was deemed advisable to meet present trends on the market. The change to a pool plan without base-surplus method of payment was requested by the Sanitary Milk Producers, Inc., as a result of their mail ballot in which 6,100 producers participated. The vote showed 36 percent favoring the retention of the base-surplus plan and 64 percent against the plan and in favor of using a blended price for the supply as a whole, regardless of individual producer's deliveries in relation to his share of the total sales. The decision to make the change rested upon the will of the majority of producers.

The amended license removes Godfrey, Alton and Wood townships from the sales area and adds Bonhomme township, an urban area, to the territory.

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OMAHA-COUNCIL BLUFFS AMENDED MILK LICENSE EFFECTIVE

An amended license which slightly increases the prices to producers for Class 3 milk and provides other changes in the terms of the license for Omaha-Council Bluffs has been completed by the Adjustment Administration. It went into effect November 16.

The Class 3 price as defined in the amended license has the effect of increasing the price to producers about 3-1/2 cents per 100 pounds, f.o.b. the sales area.

The Class 1 price at \$2 per 100 pounds and the Class 2, or cream price on the butter basis, have not been changed.

Class 3 milk is scarce on the market, owing to a general shortage, and very little is used for butter manufacture. This class includes buttermilk, cottage cheese, flavored milk and milk used in the manufacture of ice cream.

The amended license defines the price determination as 3-1/2 times the average price of 90 score Chicago butter, plus or minus .875 of a cent per hundred for each 1 cent in the butter price above or below 20 cents a pound, to which a differential of 17-1/2 cents is added per 100 pounds of milk.

On request of the Nebraska-Iowa Non-Stock Cooperative Milk Producers' Association, the restrictions on new producers with the provision that they be required to take Class 3 price for all their milk, has been removed entirely. Producers asked that this be done because of a widespread shortage in the available supply for the area. This means that only the local health regulations limit the milk available for sale on the Lincoln market, and all producers will share alike in the established prices, whether they have been selling milk previously there or not.

A third change is made in the license through the amendment. Previously

producer-distributors have been exempt from the pool up to 400 pounds of milk daily, based on the average retail route sales. The amended license conforms to the new standard plan relating to producer-distributors. It exempts them from accounting to the pool on any of their milk up to established base amounts. On milk sold above such established bases, they will be rated proportionately to Class 3, Class 2 and Class 1 sales, in turn. Milk which they sell in bulk to other distributors must be accounted for to the pool at Class 3 prices, and the buyer of the milk must pay the pool the difference between the Class 3 price and the price for which it is sold, if higher.

The license as now written also provides that the administrator may set up a reserve fund from the blended prices paid producers with which to take care of delays in the settlement of the distributors' adjustment fund, used to equalize payments throughout the entire market. Limits are placed on the amount to be reserved in relation to the volume of sales on the market.

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LINCOLN, NEBRASKA, MILK LICENSE AMENDED

An amended milk license for the sales area of Lincoln, Nebraska, has been completed by the Adjustment Administration. It became effective November 16.

No changes in any of the scheduled prices to producers or minimum resale prices to consumers are contained in the amended license. Deductions from payments to producers for market administrator's expenses have been reduced from two cents per 100 pounds of milk to 1 cent, and similar deductions in a separate fund to provide market services to producers not members of the cooperative association has been increased from three to four cents per 100 pounds of milk. This was recommended by the administrator after conferences with agencies on the market.

The exact formula defining the determination of the price for Class 3 milk to producers has been changed so as to clarify its meaning. As now defined, Class 3 milk prices on the Lincoln market under the license as amended, are as follows: "The average price per pound of 90 score centralized carlot butter, plus or minus at the rate of 1/4 of 1 cent for each 1 cent that the butter price is above or below 20 cents per pound, plus 4 cents a pound of butterfat."

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ATLANTA, GEORGIA, MILK LICENSE EFFECTIVE DECEMBER 1

A milk license for the sales area of Atlanta, Ga., drafted on the base-surplus method of payment to producers and for a typical southern market without country receiving stations, has been approved by the Adjustment Administration. It will become effective December 1. Its terms and conditions were considered at the official hearing at Atlanta on September 24, and also at a series of conferences at Washington with representatives of producers and distributors.

In the interval prior to the effective date of the license, a representative of the Adjustment Administration is to be at Atlanta clearing up points relative to the base allotments to producers and arranging other preliminary details for the operation of the license.

Distributors are obligated to pay producers, according to the license, \$2.70 per 100 pounds of 4 per cent milk, f.o.b. their city plants, or about 5.8 cents a quart delivered, on Class 1 milk used as whole milk for consumption in the area.

For Class 2 milk, defined as milk used for cream, flavored milk, butter-milk and ice cream manufacture, distributors will pay producers \$1.85 per 100 pounds of 4 per cent milk.

For Class 3 milk, which is any excess amounts above the other classes named, the price is defined as four times the average price per pound of 92 score Chicago wholesale butter plus 20 cents per hundredweight.

Distributors must pay or deduct differentials of 4 cents per 100 pounds on each one-tenth of one per cent variation in the butterfat test above or below the 4 per cent standard. They may pay producers more than the licensed prices provided that such premium payments are paid alike to all producers who supply the same grade of milk.

There are no minimum resale prices quoted in the license. The prevailing prices charged consumers for milk at present are 14 cents a quart delivered to homes, 13 cents at stores and 11 cents a quart bottled at wholesale. Producer-distributors are an important factor in the Atlanta market, handling 50 to 60 per cent of the volume. There are 275 producer-distributors and 13 pasteurizing commercial distributors, and this market is unique in having special buttermilk distributors.

For some months previous to the license, the Atlanta market has been operated in part on an agreement basis between commercial distributors and a number of wholesale producers, with a price system on the use basis largely the same as the prices named in the license. The application of the base-surplus plan has not been complete or uniform and not all distributors have paid strictly on the use basis, so that agencies on the market sought Federal supervision through a bonded market administrator with proper support from all agencies, including producers who sell their own milk direct. Hitherto the producer-distributors had a resale price control agreement in effect, separately.

Associations seeking the license include the Georgia Milk Producers' Confederation, for the wholesale producers, and the Georgia Cooperative Raw Milk Association for the producer-distributors, together with the Georgia Pure Milk League.

According to the license, new producers will be obliged to accept Class 3 price for all their deliveries of milk for 60 days. The custom of marketing "grass milk" by seasonal producers in flush pasture periods would otherwise tend to nullify the base-surplus plan of adjusting production in line with sales.

Although some producers' bases have been allotted under the former agreement, the license provides that the market administrator shall have complete charge of the establishment of bases by new allotments or re-allotments, all to be handled in an equitable way. Distributors are required to report the deliveries of each producer, and the delivered base and excess are to be checked by the administrator.

Agencies seeking the license agreed to deductions of 2 cents per 100 pounds of milk payable by all wholesale producers and producer-distributors to the maintenance of the administrator's auditing and general supervisory services. Deductions are also made by the administrator at the rate of 5 cents per hundredweight of milk sold to distributors by producers who are not receiving such services as market information, check testing and weighing and guarantee against default by distributors in payment for milk.

This service fund is kept separate and used by the administrator for the purposes named, or he may name a reliable agency to handle the service work instead. He is likewise enabled by the license to waive all or part of the service deduction when the sum is more than sufficient to meet such charges, and to distribute the balance pro rata to producers concerned.

The market administrator will have charge of the reports of purchases and sales from all distributors and require them to pay producers the blended price for the amount of milk delivered by each producer not in excess of his base and Class 3 price for all milk in excess of such base. He will also have charge of the adjustment fund by means of which all distributors will be placed on an equal footing in respect to payments for milk according to actual use.

Producer-distributors are exempt from the computation of the blended price and the pool account up to an amount equal to their bases. When they sell bulk milk to other distributors, it is reported to the pool at the Class 3 price and the buyer pays the pool the difference between the Class 3 price and the price for any higher class in which it is sold.

When producer-distributors sell milk above their bases, such amounts will be deducted in turn from their Class 3, Class 2 and Class 1 sales and valued for pool payments, at the respective scheduled prices. When producer-distributors buy milk from other producers, it must be accounted for at the prevailing classified schedule of prices according to the total sales percentages in each class.

Provisions are made for the establishment of a milk industry board if requested, with fair representation of producers, distributors and the public, subject to confirmation by the Secretary of Agriculture.

Distributors are obliged to establish satisfactory evidence of solvency or give bonds limited to their actual financial obligations. Distributors may not transact business with other dealers known to be violating the license, and outside distributors are prohibited from dumping cream on the Atlanta market at cut prices.

Producers' agencies and the administrator have the right to check tests and weights to verify statements made by distributors. The market administrator

may set aside a reserve fund to meet any deficiency in the adjustment fund for the pool, but the sum thus taken from the blended price for milk is limited and may be refunded when conditions warrant.

The sales area named in the license is the corporate limits of Atlanta and certain defined incorporated towns in Cobb, Campbell, Clayton, DeKalb, and Fulton counties.

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HEARING FOR THREE FLORIDA MILK LICENSES

At the request of Governor David Sholts and George O. Weems, director of the Florida State Milk Control Board, notices of hearings have been issued by the Adjustment Administration for proposed milk licenses for the sales areas of Jacksonville, Miami and Tampa, Florida. The dates are as follows: Jacksonville, November 20; Miami, November 23, and Tampa, November 26.

The draft of the proposed licenses for all three markets is on the base and surplus plan. No minimum resale prices are named in the proposed licenses, and prices to producers, f.o.b. the sales areas, will be determined at the hearings.

The respective markets are now under the control of the State Milk Control Board, but it is desirable that hearings be held on a proposed Federal milk license in each market to determine in what manner such State control may be made more effective with the assistance of the Federal authority, inasmuch as there is considerable interstate shipment of milk and cream during a large part of the year on the markets in question.

The sales area proposed for the Tampa license includes St. Petersburg, where the State Milk Control Board at present does not operate, which has a combined estimated population of 215,000. The Miami license would include the city of Miami and Fort Lauderdale, which have about 160,000 population; while the Jacksonville license area includes all of Duval county, with about 155,000 population.

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"WORKING TOWARD STABILITY FOR THE DAIRY INDUSTRY"

From an address on this subject by A. H. Lauterbach, chief of the Dairy Section of the Agricultural Adjustment Administration, before the National Co-operative Milk Producers' Federation at Syracuse, N.Y., November 13, 1934, the following is quoted:

"It is needless for me to go to any length in reviewing the subject of production control for the dairy industry, as this project is only one of the means by which the Adjustment Administration may move to aid the dairy industry. To date it has been inadvisable to institute such an adjustment program for milk

and dairy products. The discussions in which we engaged last April, followed by the severe drought and its rapid and widespread liquidation of cattle and calves, seem to put the production control feature temporarily in the background.

"However, I believe we need to take a broad view of the subject and be watchful and ready to balance our production with domestic demand, so as not to destroy the present rather favorable situation from the standpoint of supply and consumption. Conditions indicate that feed and forage will be relatively scarce and high in price during the winter feeding season, and that trade output for manufactured dairy products has improved somewhat, which means a firm butterfat price for the season ahead.

"Since the funds were first provided under the Agricultural Adjustment Act for the removal of surplus dairy products and for the distribution of these products to the unemployed, some constructive services have been rendered to the dairy industry as well as to those without jobs. There has been no destruction of the dairy surplus.

"During the fall and winter of 1933 a serious situation in respect to production and prices of dairy products developed. Storage stocks accumulated to high levels and production in the early fall was being increased at a rapid rate. In view of the situation, it appeared desirable to enter into some form of surplus removal, so that butter and cheese would be diverted from regular trade channels to relief uses. Accordingly, the Land O'Lakes Creameries, Inc., the Dairy Marketing Corporation and the Federal Emergency Relief Administration joined in this work, and 51,572,000 pounds of butter were bought, from August, 1933, to April, 1934, inclusive. The major part of these purchases were made in November and December, and it was all distributed for relief purposes:

"Since June, 1934, awards to the extent of 16,160,000 pounds of butter have been made. Of this amount, 4,948,000 pounds have been delivered. Since January, 1934, bids have been awarded on 13,932,000 pounds of cheese, of which 2,805,000 was Swiss cheese taken from the country factory shelves to relieve a burdensome summer surplus. Of the total amount of cheese noted, 6,401,000 pounds has been delivered.

"It must be recognized that surplus removal alone cannot be expected to improve the situation of dairy farmers permanently, but it is merely the elimination of an abnormal surplus from regular trade channels. Without control over production, such artificial stimulation of dairy prices, in relation to the prices of other farm products, will eventually result in the increase of supplies tending to offset gains received through surplus programs. However, from time to time additional amounts of dairy products as required for direct relief distribution will be purchased in limited quantities.

"You recall that one of the alternative proposals advanced during the regional dairy meetings to consider production control was the testing of herds to speed up eradication of tuberculosis and Bang's disease. Already several months' work on tuberculosis control and about two months' testing for Bang's disease has been carried on by the Bureau of Animal Industry through funds provided by the Jones-Connally amendment to the Agricultural Adjustment Act. These funds have been allocated reasonably after conferences with breeders, cooperative organizations and farm leaders.

"Indemnities paid for cattle slaughtered on account of bovine tuberculosis, in cooperation with State sanitary officials amounted to \$558,362 up to October 1, 1934. It was largely left to State authorities to determine whether they wished to test for tuberculosis or Bang's disease. To October 1 indemnities amounting to \$51,737 had been paid to owners of cattle infected with Bang's disease. Virginia has thus far forged ahead in Bang's disease testing.

"This month regulations will also be drawn up for the first experimental work with mastitis, which is especially harmful in some fluid milk areas, and for this work a maximum allocation of \$1,000,000 has been tentatively set aside. It is not our purpose to emphasize mastitis in the general disease control program at this time, as much depends on how practical the results of the first inspections prove to be.

"From July 1 to September 30, the number of herds tested for tuberculosis was 167,284, comprising 1,828,781 cattle, of which 83,402 reacted positively. In New York alone 423,786 cattle were tested of which 59,769 reacted positively. The highest percentage of reactors, according to our reports, are located in New York and California. The Bang's disease program has not been in effect very long, due to the need for concentration of effort on the drought cattle problem. Now that the drought cattle problem is less pressing, the Bang's disease program will be emphasized.

"From August 1 to September 30, 4,356 herds were tested in 29 states, comprising 32,627 cattle, of which 12,344 were removed. The number of herds now on the waiting list for testing under the Bang's disease program amounts to 15,031, comprising about 284,000 cattle. We have made a good beginning under the joint efforts of the Agricultural Adjustment force, the State officials and the Bureau of Animal Industry.

"Huge losses were averted through the prompt action of the Adjustment Administration in buying drought cattle, condemning those unfit for food, processing the better ones and shipping others to pasture for further fitting. The beef is utilized entirely for relief work. Up to November 1 a total of \$91,055,549 was paid for slightly over 7,000,000 cattle and calves bought on 578,000 farms in 24 States.

"The average price paid per animal was about \$13.50, and the sum received by each farm averaged close to \$155. Part of the money was a purchase payment and part was a benefit payment under the Adjustment Act amendment. The use of a benefit payment was a technical necessity to conform to the Act, so that drought purchases could start at once without waiting for special appropriations or loss of precious time, and also in order to enable the Government to pay individuals part of the money as benefit payments free of lien or other debt incumbrance.

"Nearly 16 per cent of the cattle thus purchased from June to October were unfit for food and were disposed of at once. At the average price paid per head for all cattle, this means that nearly \$15,000,000 was paid to farmers on stock that would otherwise have been total losses except for their hides. The drought was indeed a national calamity, but the Government acted promptly and did all it could to alleviate the suffering and mitigate the loss. Such a program of live-

stock salvage and utilization of the proceeds for relief purposes has never before been undertaken in the United States. Had all these animals been forced on the open market, the prices to all producers would have been very low.

"It is not anticipated that the reduction in cattle by these drought purchases will greatly reduce the general production of milk, except in extreme cases. Although it has been hastily estimated that 20 per cent of the cattle purchased were dairy stock, it is also known that for the most part dairymen sold cull cattle and saved what feed they had for their better ones. The saving of feed alone by this program was a godsend to cattle owners.

"Thus far our only marketing agreements with manufactured dairy products have been those undertaken in the fall of 1933 for evaporated milk and dry skim milk. At present certain amendments and changes designed to create more practical working relations are in prospect for these agreements.

"Producers have shown much interest in the improvement of the evaporated milk agreement and they have a committee definitely established in connection with it. The manufacturers claim that during the 12 months in which the evaporated milk agreement was in effect, producers received an average of 21 cents more per 100 pounds than before the agreement was established. On the volume included in the agreement, this is said by them to mean \$8,600,000 more to producers in a year than they would have received at prices prevailing before the agreement was established. Regardless of troubles on the sales end, we are sure that the evaporated milk agreement has stabilized prices and protected a majority of farmers from such erratic price fluctuations as occurred in 1932 and early in 1933.

"Up to November 1 the Adjustment Administration had placed a total of 47 fluid milk licenses into effect. The 50 or more cities where these licenses are effective are in 18 states. No doubt better than 20 per cent of the total volume of fluid milk consumed by the non-farm population of the country is included in these licensed areas.

"A small number of the markets have been disturbed by injunction suits which temporarily prevented the full operation of the licenses, but the majority are going in fairly good shape, especially where we have a good foundation built by cooperatives and an understanding as to the meaning of the licenses by other agencies on the market.

"We expect to do more direct work to tell farmers themselves what the advantages are in these licenses, because unless we do so clearly, it is going to be hard for some of them to get the meaning of the licenses from the legal language used in drafting them. We deeply appreciate the help which cooperative leaders have given to us in this experimental stage, and in the interpretation and effectuation of the purposes of these licenses we depend a great deal upon these leaders and directors of the associations. To work with new tools men must understand them.

"We who have been concerned with dairy adjustment work in the Federal Government have had a trifle over a year's experience in writing and operating

fluid milk agreements and licenses. I think that everyone of us who had a part in this work will admit that it has been an experiment, necessitating many changes. From the beginning of the work there was some conflict in ideas. As we look back upon our experience, it is clearly apparent that one of the reasons for the conflicts was a tendency in some parts of the industry to believe, or at least to hope, that milk marketing agreements would settle all the problems as soon as a Federal license was issued to accompany an agreement, and that there was nothing further for the dairy industry to do in such cases but to sit idly by and watch the Federal regulation work.

"As soon as some agreements and licenses became effective and numerous violations occurred on the markets, the industry expected that the Federal Government would immediately step in and force the violators to comply or face the penalty. It was forgotten that the marketing agreement work was new, and education was needed to inform farmers and those in its industry as to the way in which they operate. Immediately the Adjustment Administration received a great deal of open criticism, some of it extreme. Some of this criticism no doubt was justified, but let us not forget legal procedure in this country is designed to protect human rights, and that the Government cannot and should not proceed in any but a lawful manner even if that does take time.

"It will no doubt take some time before the higher courts of the country receive and render a decision upon cases involving Federal milk licenses. This means there will be some unavoidable delay before the Supreme Court decides how far the Federal Government can go in regulating the milk industry. We of the Adjustment Administration have come to the conclusion that neither the Federal Government nor the State Governments alone can do this job successfully, and that a cooperative program must be worked out.

"We have had some demonstration of what can be accomplished through a Federal and a State cooperative working arrangement, particularly illustrated in the State of Rhode Island. The Rhode Island State Milk Control Board and the Federal authorities have experienced splendid working relations. Our past experience leads us to the conclusion that in States having or contemplating a milk control law we hope the law will permit a working relation in a practical way between the Federal Government and the State, whereby on request confining itself largely to interstate problems within fields where the state's jurisdiction is not clear.

"When we consider a way of state-federal cooperation in regulating a milk market, many complications arise. The tendency on the part of the legal workers in both Federal and State governments is to say that it cannot be legally accomplished. I am, however, much pleased to tell you that the attorneys in the Adjustment Administration clearly see the advisability, if not the necessity, of such cooperation toward which we are mutually reaching. They go as far as to say that they think it can be worked out.

"It may be necessary to ask Congress for more legislation or amendments to present legislation, while, if they think federal-state cooperation has advantages, the States themselves may wish to amend their present milk laws somewhat. Time will tell to what extent this will be favored by the states.

"Let us just for a moment imagine a Federal milk license for the city of

New York, known as the greater New York-New Jersey milk shed. This may be a dream on my part, but I would first of all ask all the control boards interested in this market to become a party to drafting such a license or marketing agreement to regulate the milk industry. I would also ask these State milk control boards in some way to take part in the management and operation of this Greater New York agreement, which is one of great significance in the north-eastern States.

"Somebody picked by the industry and the State boards, and approved by the Secretary of Agriculture, would be engaged as Market Manager or Administrator. I would also suggest having an Advisory Board or Committee, made up of producers, distributors and the public. This advisory committee would have certain powers delegated to it by the Secretary of Agriculture through which they would be a party to the actual management and operation of the agreement or license. It seems to me that such an advisory board might in some cases get a quicker response in obtaining compliance with the terms of the agreement and likewise afford a much needed local point of view to make the project successful.

"I would wish to leave all the intrastate enforcement to the State Government and to some extent at least such other trade practice regulations as might be deemed necessary. The Adjustment Administration policy does not call for fixing retail prices, and anything of that nature would be up to those states wishing to undertake it.

"The Federal Government cooperating with the State control boards and the advisory committees would operate the milk pool, set the prices to producers and enforce interstate violations.

"We must not lose sight of the fact that this adjustment program is something very new. A great deal of additional work must be done and that can only be accomplished by recognizing local responsibility through some body of men in the community in which the milk agreement or license is operating. I will also repeat that a committee would probably secure quicker action and afford a local point of view.

"Of course, the members of such an advisory committee would have to be persons of discrimination and discretion. They would have to remember at all times that the Secretary of Agriculture and the State officials share with them the responsibility of their actions.

"We have one official milk industry board now operating in Detroit, Michigan, which has been of great service to the milk industry. This local board has been functioning for several months, and was appointed by the Secretary of Agriculture upon local nominations. This board is made up of three representatives of producers, three representatives of distributors and three representatives of the public. The Detroit milk license is one of the most successful we have established, due in a great degree to the responsibility undertaken by the local industry board.

"In working out this cooperative program between the Federal Government and the State Governments, we must not forget that the Federal Government must at all times consider the problem from a broad, national standpoint.

"In attaining our present goal of greater cooperation between the States and the Federal Government for a happy outcome of this problem, we shall also need the constant help and advice of dairymen and the cooperative milk producers' associations.

"As a representative of the Adjustment Administration, I conclude by saying that we are pleased at the progress of State milk control work and that we watch the outcome of their court cases with extreme interest. We trust that the future will bring about a more thorough degree of unity between these divisions of Government and cooperative associations of producers, for the welfare of farmers, the industry and the public as a whole."

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CERTIFICATE POOL'S COLLECTIONS FOR COTTON PRODUCERS

The national surplus cotton tax-exemption certificate pool to November 13 has authorized the sale of surplus tax-exemption certificates equivalent to 635,020 bales of cotton, and already has collected \$5,388,268 which is being held in an ear-marked account in the Treasury for distribution to producers who surrender certificates to the pool, the Adjustment Administration has announced.

The granting by the pool of authorization to sell certificates equivalent to 635,020 bales does not necessarily mean that this amount has been sold, as some counties which have requested surplus certificates probably have over-estimated their needs. The cash on hand received from the sale of certificates represents payments for approximately 60 per cent of the certificates sold. Money for the other 40 per cent is in transit between the cotton growing counties and Washington.

Surplus certificates sufficient to pay the tax on 650,000 bales of cotton have been surrendered to the pool and more certificates are expected to be received before November 24, the final date on which the pool will accept surrender of certificates. Sales will be made by the pool after that date, however, so long as there is sufficient demand to warrant its operation.

The money received from the sale of certificates at the standard rate of 4 cents a pound will be distributed after the pool's operating expenses are deducted, among owners of surplus certificates who surrender them to the pool for sale on the basis of approximately \$20 a bale for certificates sold. When the pool is closed, each producer will be returned his pro rata share of any certificates the pool does not sell. These may be exchanged for 1935 tax-exempt certificates in excess of his regular allotment of such certificates in the event the Bankhead Act is made effective for next year.

Producers in 13 cotton-growing states have turned certificates into the pool for sale to persons who have produced more than their Bankhead allotments. Included in this group are many farmers in the drought area who are enabled by the pool's operations to receive some income despite the loss of a major portion of their crop. In addition to farmers in drought-stricken areas, many other producers, who, for uncontrollable natural causes lost a portion of their crop, are benefiting from this "crop insurance" feature.

At the same time, farmers in all cotton producing states have been able to purchase surplus certificates through the pool instead of paying the 5.6 cents a pound tax levied on the ginning of cotton by the Bankhead Act.

The pool's records show that sales have been authorized in 18 of the 19 cotton producing states despite the fact that the indicated total production of a number of them is below the Bankhead allotments. The November 1 cotton report, for example, reports an indicated crop of 2,390,000 bales for Texas, while the Bankhead allotment for Texas is 3,237,530 bales. This would indicate that Texas not only would not need to buy any surplus certificates but would have for sale certificates equivalent to 847,530 bales. On the other hand, some individual farmers in Texas have produced above their allotment and the pool already has authorized the sale of certificates equivalent to 100,000 bales in the state of Texas.

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PEANUT ADJUSTMENT CONTRACTS APPROVED

Secretary Wallace has officially approved the form of the adjustment contract to be offered producers of peanuts in connection with the adjustment program recently announced for this basic commodity.

It is tentatively planned to have the contracts printed and to begin the sign-up campaign early in December. The program is designed to bring the peanut supply into line with consumption by diverting a portion of the 1934 crop into oil, or feed for livestock, and limiting acreage in 1935. Part of the program was placed into effect October 1, and during October more than 5 per cent of the total indicated 1934 peanut crop was diverted from the cleaning and shelling trade into the manufacture of peanut oil.

The contract approved by the Secretary requires that the acreage planted to peanuts in 1935 be not in excess of one of the following bases, as chosen by the producer signing the contract:

- (a) 80 per cent of the acreage planted in 1933.
- (b) 90 per cent of the acreage planted in 1934.
- (c) The average acreage planted in 1933 and 1934.

Payments to producers for acreage adjustment in 1935 will be measured by the quantity of peanuts harvested in 1934 at the rate of \$8 a ton, provided, however, that the amount of this benefit payment shall not be less than \$2 an acre of the allotted peanut acreage on a farm covered by a contract. This provision for payments on an acreage basis is designed to protect producers with below-normal yields this year.

The benefit payment will be made on the entire 1934 harvest crop of contract signers, regardless of the use to which the peanuts are put. The contract provides for division of payments with share-tenants and croppers.

A contracting producer also will be given an opportunity to divert any

part of his 1934 crop to use as feed or in the manufacture of oil up to 20 per cent of his harvested crop. The diversion would be optional and would consist of selling peanuts to a peanut oil manufacturer who agrees in writing on a form provided for that purpose to use such peanuts for oils baling peanuts on the vine and using them for feed; or baling peanuts on the vine and selling them for feed to an agency approved by the Secretary of Agriculture under regulations to be announced later. The grower may select only one of these methods of diversion and the diversion payment will be made only on peanuts diverted in the manner selected.

Payments to farmers for diversion will be at the rate of \$20 a ton for Virginia type peanuts; \$15 a ton for Spanish and \$10 a ton for Runner type peanuts. These payments will enable growers profitably to divert a portion of their crop from the higher priced shelled goods trade to the oil mills if the farm price should fall below the current average price. Diversion payments direct to contracting growers, as well as the benefit payments for acreage adjustment, will be made after compliance is established in 1935.

Similar diversion payments are now being made to oil millers to encourage the use of farmers stock peanuts in the manufacture of peanut oil. These payments now are at the rate of \$16 a ton for Virginia peanuts; \$12 a ton for Spanish and \$8 a ton for Runner type peanuts. This part of the program enables oil manufacturers to increase prices paid for farmers' stock peanuts above their oil value by the amount of the payments available under the program. The Administration reserved the right to change the rate of payments to oil manufacturers for diverting peanuts to oil after November 30, 1934, if a change is necessary in order to maintain prices or if oil prices should materially advance.

This diversion method (with payments made to oil millers) is open to all growers, regardless of whether they sign production adjustment contracts. The quantity that will go to this use will be determined by the prices which cleaners and shellers offer for farmers' stock peanuts. Under this plan, growers are assured that, regardless of what cleaners and shellers offer, there will be a market for their crop at prices substantially higher than oil market values.

The formal proposal of the Secretary of Agriculture to make payments to contract signers for diversion of peanuts from the normal channels of trade follows:

"The Secretary of Agriculture, pursuant to the Agricultural Adjustment Act, proposes to make payments to any producer of peanuts operating a farm now or hereafter covered by a 1935 Peanut Production Adjustment Contract, who diverts peanuts produced in 1934 on such farm from their normal channels of trade by one only of the following methods to be selected by such producer: (1) selling such peanuts to peanut oil manufacturers subject to agreement on the part of the purchaser to divert such peanuts from their normal channels of trade by converting them into oil in accordance with the terms of United States Department of Agriculture, Agricultural Adjustment Administration, Form PN-4, "Receipt for Farmers' Stock Peanuts Delivered by Growers for Manufacture into Peanut Oil"; or (2) baling such peanuts on the vines in accordance with regulations and/or administrative rulings prescribed or which may hereafter be prescribed

by the Secretary and either (a) using such baled peanuts for feed on such farm, or (b) selling such peanuts for use as feed to persons or agencies approved by the Secretary or any designated agent of the Secretary by, or pursuant to, Regulations or Administrative Rulings of the Secretary provided; (1) that peanuts so diverted for which application for payment is made do not exceed 20% of such producer's peanut production on such farm in 1934; (2) that proof of such diversion be made on United States Department of Agriculture, Agricultural Adjustment Administration, Form PN-3, "Agreement and Application for Peanut Diversion Payments by the Producer", which proof shall be supplemented by further proof as follows: (a) in case the method of diversion selected is by sale to peanut oil manufacturers, by receipts executed by such peanut oil manufacturers on United States Department of Agriculture, Agricultural Adjustment Administration, Form PN-4, (b) in case the method of diversion selected is by sale of such peanuts baled on the vines for feed, by receipts executed by approved purchasers on United States, Department of Agriculture, Agricultural Adjustment Administration, Form PN-5 and by execution of United States Department of Agriculture, Agricultural Adjustment Administration, Form PN-6, by the producer, (c) in case the method of diversion selected is by baling such peanuts on the vines and using them as feed on such farm, by execution of United States Department of Agriculture, Agricultural Adjustment Administration, Form PN-6, by the producer; (3) Provided further that the producer agrees in the event that share tenants and/or share croppers produced any of the peanuts grown on such farm in 1934 (a) that he will offer such share tenants and/or share croppers to make the diversions proportionately as between the peanuts produced by such share tenant and/or share cropper and the peanuts produced otherwise on such farm and (b) that he will accept the peanut diversion payments in trust to pay each share tenant and/or share cropper such part of said payments as he may be entitled to by reason of the diversion of peanuts grown by such share tenant and/or share cropper and in which he had a share.

"The payments which the Secretary proposes to make for diversion of peanuts from their normal channels of trade by the producer in one of the above specified ways to be selected by the producer are as follows:

- "(a) Twenty dollars (\$20) per ton (1¢ per pound) for Virginia Type Peanuts.
- "(b) Fifteen dollars (\$15) per ton (3/4¢ per pound) for Spanish Type Peanuts.
- "(c) Ten dollars (\$10) per ton (1/2¢ per pound) for Runner Type Peanuts."

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PAYMENTS TO PEANUT OIL MANUFACTURERS MODIFIED

A modification in the rates of payments to oil manufacturers who divert 1934 farmers' stock peanuts into oil under the peanut adjustment program will be effective December 1, 1934. It affects only those peanuts converted into oil on or after December 1, 1934.

Under the program, payments are made to oil manufacturers on all 1934 farmers' stock peanuts purchased after October 1, 1934, and used for oil, except those purchased from contracting growers under regulations which enable the growers to receive diversion payments direct from the Adjustment Administration. The payments made to oil manufacturers are passed on by them to peanut producers in the form of higher prices for farmers' stock peanuts.

The modification makes no change in the previously announced rate of payment for Virginia type peanuts, which remains at \$16 a ton, but the current \$12 a ton payment for Spanish type peanuts is reduced to \$10 a ton and the current \$8 a ton payment for Runner type peanuts is reduced to \$6 a ton.

These modifications were made in conformity with the previous announcement of the Secretary of Agriculture that he reserved the right to make changes if oil prices should materially advance or if changes should be necessary in order to establish prices for farmers' stock peanuts above \$56 per ton for Virginia type, \$59 per ton for Spanish type and \$50 per ton for Runner type.

The changes are made in the rates of payment to oil manufacturers because of the recent market increase in the price of peanut oil. With oil prices at present levels, lower rates of payments are required in order to keep Spanish and Runner peanuts above the level indicated.

The reason for not changing the price on Virginias is that the oil content of this type of peanut is slightly less than that anticipated prior to the opening of the marketing season. The new rates of payments will remain in effect for at least 31 days after they go into effect on December 1, 1934.

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BEET SUGAR ORDER COMPLETES MARKETING ALLOTMENTS

Allotments to beet sugar processors of the entire 1934 beet sugar marketing quota, amounting to 1,556,166 tons, have been announced by the Adjustment Administration.

The allotments have been ordered by Secretary Wallace in Continental United States Beet Sugar Order No. 3, which adjusts upward the initial allotments to several processors from the unallotted reserve set up for this purpose, and prorates the remainder of the reserve among all beet sugar processors. A public hearing on the applications for adjustments was held September 17 in Washington.

Revisions from the unallotted reserve, expressed in 100-pound bags of refined sugar, include: Increase of the marketing allotments of the Paulding Sugar Co. of Paulding, O., from 199,913 bags to 209,109 bags; increase of the marketing allotment of the Superior Sugar Refining Co. of Menominee, Mich., from 135,340 bags to 175,074 bags. In addition to which, an initial allotment of 75,000 bags was made to the Union Sugar Co. of Betteravia, Calif.

A previous beet sugar order, No. 2, had revised the allotment of

National Sugar Manufacturing Co. from 97,145 bags to 140,000 one-hundred pound bags.

Applications for adjustments of their initial allotments, submitted by the Los Alamitos Sugar Co., the Monitor Sugar Co., the Great Lakes Sugar Co., and the Michigan Sugar Co. were denied.

The original allotments totalled 28,639,164 bags and the unallotted reserve set aside for adjustments and revisions totalled 448,036 bags. It is from this reserve that adjustments have been made. Now that revisions have been completed, the remainder of the reserve has been prorated among all processors. The final marketing allotments for 1934 as a result of this addition of the pro-rata share of the unallotted reserve are as follows:

<u>Name of Processor</u>	<u>Allotment 100-Pound Bags Direct-Consumption Sugar</u>
The Amalgamated Sugar Co.	2,008,549
American Crystal Sugar Co.	2,913,412
Central Sugar Company, Inc.	188,947
Franklin County Sugar Co.	223,401
The Garden City Co.	229,018
Great Lakes Sugar Co.	590,434
The Great Western Sugar Co.	9,690,897
Gunnison Sugar Co.	196,201
Holly Sugar Corporation	3,712,393
Isabella Sugar Co.	290,168
Lake Shore Sugar Co.	67,594
Layton Sugar Co.	269,932
Los Alamitos Sugar Co.	94,519
Menominee Sugar Co.	189,936
Michigan Sugar Co.	1,403,502
Monitor Sugar Co.	435,235
The National Sugar Manufacturing Co.	141,367
Northeastern Sugar Co.	193,680
The Ohio Sugar Co.	197,884
Paulding Sugar Co.	211,151
Rock County Sugar Co.	120,109
Spreckels Sugar Co.	2,201,839
St. Louis Sugar Co.	209,635
Superior Sugar Refining Co.	176,783
Union Sugar Co.	75,732
Utah-Idaho Sugar Co.	2,906,431
West Bay City Sugar Co.	148,451

Processors are forbidden by the Secretary's order to market sugar in excess of the allotments which have been made.

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RULING AFFECTING 1934 FOREIGN SUGAR QUOTAS

The Adjustment Administration has announced that Cuban and other foreign sugars remaining in bonded warehouses in the United States on December 31, 1934, may be counted as part of the 1934 quota even if payment of duty has not been made by that date, provided that the 1934 quotas for countries of origin of such sugars have not been exhausted at that time by admission of duty paid sugars.

Importers of such sugars will be required to advise the Sugar Section of the Adjustment Administration before the end of the year of their intention to keep such sugars in bonded warehouses until after December 31, 1934, and of their desire that such sugars be charged against the 1934 quota.

It was pointed out that this ruling would not increase the amount of foreign sugars available for the United States market in 1934. This amount is restricted to the quotas established by the Secretary of Agriculture.

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CHICAGO CONFERENCE ON FLAXSEED MARKETING ON OIL BASIS

An informal conference to discuss the possibility of marketing flaxseed on the basis of oil content and quality has been called for November 22 and 23 in Chicago, Ill., the Adjustment Administration has announced.

The conference, to which representatives of flaxseed crushers, grain inspection departments, paint manufacturers, agricultural colleges, grain exchanges, and farmers' organizations have been invited, has been arranged by Dr. Alva E. Benton, representative of the Secretary of Agriculture for the code of fair competition for the linseed oil manufacturing industry.

The national flaxseed producers' advisory committee, which was appointed by Secretary Wallace this year, recommended calling the conference. Provision for study of marketing flaxseed on the basis of oil quality and quantity determinations is provided for in Article XII of the code for the linseed oil industry.

Any action resulting from the coming conference would not apply to the present crop, but would refer to future production.

Marketing of flaxseed on the basis of oil content and quality would be comparable to the marketing of wheat on protein content, or dairy products on fat content, Dr. Benton pointed out.

Technical and administrative problems arising in connection with flaxseed marketing on the oil basis will be presented at the Chicago meeting by representatives of the various groups attending.

Among Federal and State flaxseed specialists who will attend the Chicago conference are Dr. Benton; Dean E. L. Walster, director of the North Dakota Agricultural Extension Service and chairman of the national flaxseed producers' advisory committee; A. C. Dillman of the Bureau of Plant

Industry of the U. S. Department of Agriculture; E. C. Parker, Chief, and Dr. D. C. Coleman, of the grain division of the Bureau of Agricultural Economics; R. F. Black of Minneapolis, also of the bureau; and Prof. T. H. Hopper of the North Dakota Agricultural College, who has made intensive studies of flaxseed oil content and quality determination.

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HEARING ON GUM TURPENTINE-ROSIN AMENDED LICENSE

A public hearing on a proposed amendment to the amended license for gum turpentine and gum rosin processors will be held at Jacksonville, Fla., November 20, it is announced by the Adjustment Administration.

The proposed amendment provides, in addition to three percent of the year's crop of gum turpentine and gum rosin to be set aside for distribution to new processors, that the Control Committee shall set aside an equalization fund of not to exceed five percent of the crop set for 1935, or 22,500 units, to be distributed among processors who by the application of the rigid four-year average in determining individual quotas are found to be inequitably dealt with; and a fund of not to exceed one percent to be set aside for new producers or gum sellers. This equalization fund will make it possible for the Control Committee to relieve those distress cases which have resulted in many instances during the 1934 season.

There will also be presented at this hearing a substitute method of allocation which continues the application of the four-year average for production in a modified form whereby varying percentages of weight are given to the different years, 1930-33 inclusive, which are used as the basis for determining allotments. This plan provides that greater weight shall be given to 1933 production because it is assumed that the experience of the last year of production will more nearly indicate the present ability and desire of the individual processor as to his individual quota for the current and succeeding years.

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